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STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

(406) 444-1432 FAX

BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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PRODUCER CLASS I PRICE IN MONTANA

PUBLISHED: September 4, 1998
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REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%

\$17.54 /CWT

EFFECTIVE OCTOBER 1, 1998:

The minimum price to pay milk producers, under ARM 32.24.301, is \$17.54 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a different twenty seven cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$2.70.

CLASS I BUTTERFAT PRICE PER POUND

\$2.70 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$16.69 /CWT

Average spray process dry milk solids
price per pound = \$1.07000
Multiplied by 8.2 x 8.2

\$8.77400

\$8.77400

PLUS +

Last quote of the month for Grade AA butter
minus a differential of \$.0895 = \$2.25300
Multiplied by 4.2 x 4.2

\$9.46260

+ \$9.46260

LESS 8.5% (\$18.23660 X .085)

- \$1.55011

\$16.68649

Rounded to the nearest whole cent = \$16.69 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND **\$2.50 /LB**

Butterfat differential	(\$2.25300 X .111)	=	\$0.25008
Rounded to the nearest half cent			=	\$0.250

CLASS II VALUE OF ONE POUND OF SKIM **0.082279793 /LB**

Butterfat value per pound	=	\$2.50	
for milk at 3.5% test:			
Hundredweight price of milk testing 3.5%			= \$16.69
LESS 3.5 pounds of butterfat at	\$2.50 per pound	-	\$8.750
Value of 96.5 pounds of skim		=	\$7.940
Value of one pound of skim	(7.940 / 96.5 pounds)	=	\$0.08228 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND **\$2.03 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$2.25300
LESS 10%	-	\$0.22530
		\$2.02770

Rounded to the nearest whole cent	=	\$2.03 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED **7.28242 /CWT**

Avg. spray process dry milk solid price/lb =	\$1.07000
Multiplied by 8.2	8.2
	\$8.77400
LESS 17%	\$1.49158
	\$7.28242

Rounded to the nearest whole cent	=	\$7.28 per hundredweight.
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CLASS III PRICE PER CWT FOR MILK TESTING 3.5% **\$14.13 /CWT**

3.5 pounds of butterfat	x	\$2.03 per pound =	\$7.105
96.5 pounds of skim		\$0.07282 per pound =	\$7.027

\$14.132 /CWT**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by: Marlys M. Koontz
 Marlys M. Koontz, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$17.54 FOR 3.5% MILK 96.5 LBS = \$8.090		CLASS II SKIM PRICE BASED ON \$16.69 FOR 3.5% MILK 96.5 LBS = \$7.940		CLASS III SKIM PRICE BASED ON \$14.13 FOR 3.5% MILK 96.5 LBS = \$7.027	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.08297	2.50	\$0.08144	2.50	\$0.07207
2.55	\$0.08302	2.55	\$0.08148	2.55	\$0.07211
2.60	\$0.08306	2.60	\$0.08152	2.60	\$0.07215
2.65	\$0.08310	2.65	\$0.08156	2.65	\$0.07218
2.70	\$0.08314	2.70	\$0.08160	2.70	\$0.07222
2.75	\$0.08319	2.75	\$0.08165	2.75	\$0.07226
2.80	\$0.08323	2.80	\$0.08169	2.80	\$0.07230
2.85	\$0.08327	2.85	\$0.08173	2.85	\$0.07233
2.90	\$0.08332	2.90	\$0.08177	2.90	\$0.07237
2.95	\$0.08336	2.95	\$0.08181	2.95	\$0.07241
3.00	\$0.08340	3.00	\$0.08186	3.00	\$0.07244
3.05	\$0.08345	3.05	\$0.08190	3.05	\$0.07248
3.10	\$0.08349	3.10	\$0.08194	3.10	\$0.07252
3.15	\$0.08353	3.15	\$0.08198	3.15	\$0.07256
3.20	\$0.08357	3.20	\$0.08202	3.20	\$0.07259
3.25	\$0.08362	3.25	\$0.08207	3.25	\$0.07263
3.30	\$0.08366	3.30	\$0.08211	3.30	\$0.07267
3.35	\$0.08370	3.35	\$0.08215	3.35	\$0.07271
3.40	\$0.08375	3.40	\$0.08219	3.40	\$0.07274
3.45	\$0.08379	3.45	\$0.08224	3.45	\$0.07278
3.50	\$0.08383	3.50	\$0.08228	3.50	\$0.07282
3.55	\$0.08388	3.55	\$0.08232	3.55	\$0.07286
3.60	\$0.08392	3.60	\$0.08237	3.60	\$0.07290
3.65	\$0.08396	3.65	\$0.08241	3.65	\$0.07293
3.70	\$0.08401	3.70	\$0.08245	3.70	\$0.07297
3.75	\$0.08405	3.75	\$0.08249	3.75	\$0.07301
3.80	\$0.08410	3.80	\$0.08254	3.80	\$0.07305
3.85	\$0.08414	3.85	\$0.08258	3.85	\$0.07309
3.90	\$0.08418	3.90	\$0.08262	3.90	\$0.07312
3.95	\$0.08423	3.95	\$0.08267	3.95	\$0.07316
4.00	\$0.08427	4.00	\$0.08271	4.00	\$0.07320
4.05	\$0.08431	4.05	\$0.08275	4.05	\$0.07324
4.10	\$0.08436	4.10	\$0.08279	4.10	\$0.07328
4.15	\$0.08440	4.15	\$0.08284	4.15	\$0.07331
4.20	\$0.08445	4.20	\$0.08288	4.20	\$0.07335
4.25	\$0.08449	4.25	\$0.08292	4.25	\$0.07339
4.30	\$0.08454	4.30	\$0.08297	4.30	\$0.07343
4.35	\$0.08458	4.35	\$0.08301	4.35	\$0.07347
4.40	\$0.08462	4.40	\$0.08305	4.40	\$0.07351
4.45	\$0.08467	4.45	\$0.08310	4.45	\$0.07354
4.50	\$0.08471	4.50	\$0.08314	4.50	\$0.07358

PRODUCER CLASS I PRICE IN MONTANA

Comparison of Class I price in 1997 & 1998

MONTANA MILK CONTROL BUREAU

Month	1997	1998	Difference	% Change
January	\$14.16	\$15.51	\$1.35	8.70%
February	\$13.89	\$15.84	\$1.95	12.31%
March	\$14.49	\$15.80	\$1.31	8.29%
April	\$15.01	\$15.87	\$0.86	5.42%
May	\$15.04	\$15.36	\$0.32	2.08%
June	\$13.99	\$14.56	\$0.57	3.91%
July	\$13.25	\$13.43	\$0.18	1.34%
August	\$13.29	\$15.65	\$2.36	15.08%
September	\$13.41	\$17.32	\$3.91	22.58%
October	\$14.62	\$17.54	\$2.92	16.65%
November	\$15.34			
December	\$15.38			
Average	\$14.32	\$15.69		

PRODUCER CLASS I PRICE IN MONTANA

Comparison of Class I price in 1997 & 1998

